



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

July 18, 2003



THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

TO: State Board of Education

FROM: Thomas D. Watkins, Jr., Chairman

SUBJECT: Update on Educational Legislation

On Wednesday, July 16, 2003, the Department of Education and State School Aid budgets for the 2003-2004 fiscal year were approved by both the House and Senate. Both bills have been ordered enrolled and are awaiting review and action by the Governor. Given the overall state budget problems the Governor and Legislature treated schools extremely well.

The Department budget (House Bill 4391) reflects a general fund net increase of \$370,800 from 2002-2003. The major changes include:

- ☐ School Breakfast increase of \$4,095,200;
- ☐ Transfer of the Motorcycle Safety Education Program and the Off-Road Vehicle Safety Training Program to other state agencies;
- ☐ The addition of two new federal grants: Evaluation of State Education Technology and Math and Science Partnership; and
- ☐ A reduction of \$3,724,400 in state funds for administration.

Other items of note include the restoration of the unclassified funding line at \$515,600; the State Board per diem payments at \$24,400; State Board travel at \$35,000 (with the stipulation that it not be used for out-of-state travel); and the Training and Workshop "revolving fund" line at \$100,000.

Boilerplate language included in the budget requires that all contracts over \$10,000 must be competitively bid, and that the Department may not enter into more than one contract per year with a given vendor.

The School Aid budget (House Bill 4401) maintains the \$6,700 minimum foundation allowance, \$314.2 million for At-Risk Pupils, \$72.8 million for the Michigan School Readiness Program, and the 80% - 20% pupil membership blend that is in current law. The bill includes a new wireless technology program, "Freedom to Learn," supported with \$22 million in state funds and \$17,342,200 in federal funds, which will provide laptop computers for every 6th grade public school student in the state. Also new in the budget is a \$50,000 allocation to Grand Valley State University for grants to centers that enhance the skills of children with motor impairments. Intermediate School District (ISD) general operations funding is reduced from \$95,028,100 to \$91,702,100; however, \$3,326,000 is allocated in a new categorical for grants to ISDs to provide programs for parents with preschool children. The following table displays the 2002-2003 state school aid allocations and the 2003-2004 funding amounts as included in Enrolled House Bill 4401:

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		FY 2002-2003	FY 2003-2004 - Enrolled HB 4401
11f	<i>Durant – Cash Payments</i>	\$ 32,000,000	\$ 32,000,000
11g	<i>Durant – Debt Service</i>	40,000,000	141,000
11j	School Bond Redemption Fund	0	28,300,000
22a	Proposal A Obligation Payment	6,953,000,000	6,816,000,000
22b	Discretionary Payment		2,881,000,000
22c	Tax Tribunal Reimbursement		120,000
24	Court-Placed Pupils		8,000,000
26a	Renaissance Zone Costs		25,260,000
31a	“At-Risk” Pupils		314,200,000
31d	State School Lunch Programs		21,300,000
31d	Federal School Lunch Programs		274,631,000
32c	Early Childhood – Interagency Collaboration	2,000,000	
32d	School Readiness	72,800,000	72,800,000
	ISD zero-to-5 grants		
39a(1)	Federal NCLB grants		
39a(2)	Other Federal Funding		
41	Bilingual Education – State Funding		
41a	Bilingual Education – Federal Funding		
51a	Special Education – Federal Funding		
	Special Education – State Funding		
	GVSU Autism Programs		
55a	GVSU Motor Impairment Grant	0	50,000
57	Gifted & Talented / Advanced & Accelerated	5,000,000	250,000
61a	Vocational Education	31,027,600	30,000,000
62	ISD Voc Ed Millage Equalization	9,860,000	9,000,000
67	Career Preparation – Planning	350,000	0
68	Career Preparation – Implementation	21,850,000	1,000,000
74	Bus Driver Safety	1,625,000	1,625,000
81	ISD General Operations	95,028,100	91,702,100
94	Accreditation Assistance	2,000,000	
94a	CEPI	4,500,000	
94a	CEPI – Federal funds		
96	Golden Apple		
98	Michigan Virtual High School		
98	MVU – Federal		
98b	Freedom To Learn – State Funding		
98b	Freedom To Learn – Federal Funding		
99	Math & Science Centers – State Funding	10,232,300	2,500,000

		FY 2002-2003	FY 2003-2004 - Enrolled HB 4401
99	Math & Science – Federal	0	2,487,700
	School Health Curriculum Grants	3,180,000	0
	Adult Education		
108	Partnership for Adult Learning (PAL)	20,000,000	
	TOTAL	12,696,906,100	
	REVENUES:		
	Federal	1,219,825,200	1,316,255,800
	School Aid Fund	11,246,667,500	10,987,820,500
	State GF	198,413,500	
	School Aid Stabilization Fund	0	
	Budget Stabilization Fund	32,000,000	
	TOTAL REVENUES	12,696,906,100	

Attached are summaries of the outcomes of the conference committees on the Department and State School Aid budgets as prepared by the House and Senate Fiscal Agencies. Please note that the summaries highlight the items of difference between the House and Senate Passed versions of the bills and do not, therefore, reflect the content of the bills in their entirety.

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